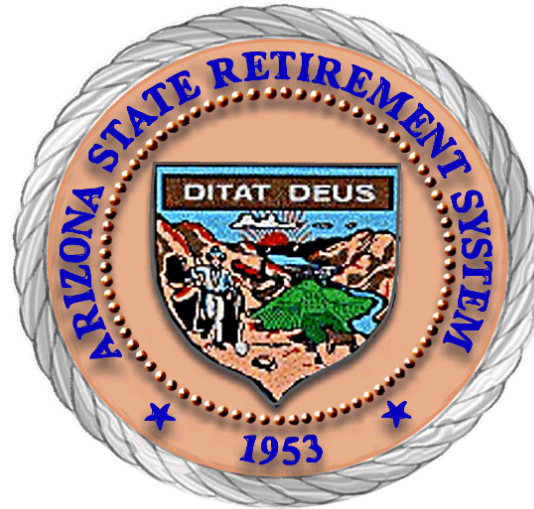


Arizona State Retirement System



Private Equity Asset Class Review

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December 17, 2010

Target Allocation

Percent:	7% of total pension assets
Amount ¹ :	\$1.6 billion

Program Status

Commitments ² :	\$1.9 billion (43 partnerships)
Amount Funded ¹ :	\$0.5 billion (28.2% of commitments)
Fair Market Value ¹ :	\$0.5 billion (2.1% of total pension assets)

Program Performance

Net IRR Since Inception ¹ :	-3.1%
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Benchmark Performance

Russell 2000 Since Inception ³ :	-8.3%
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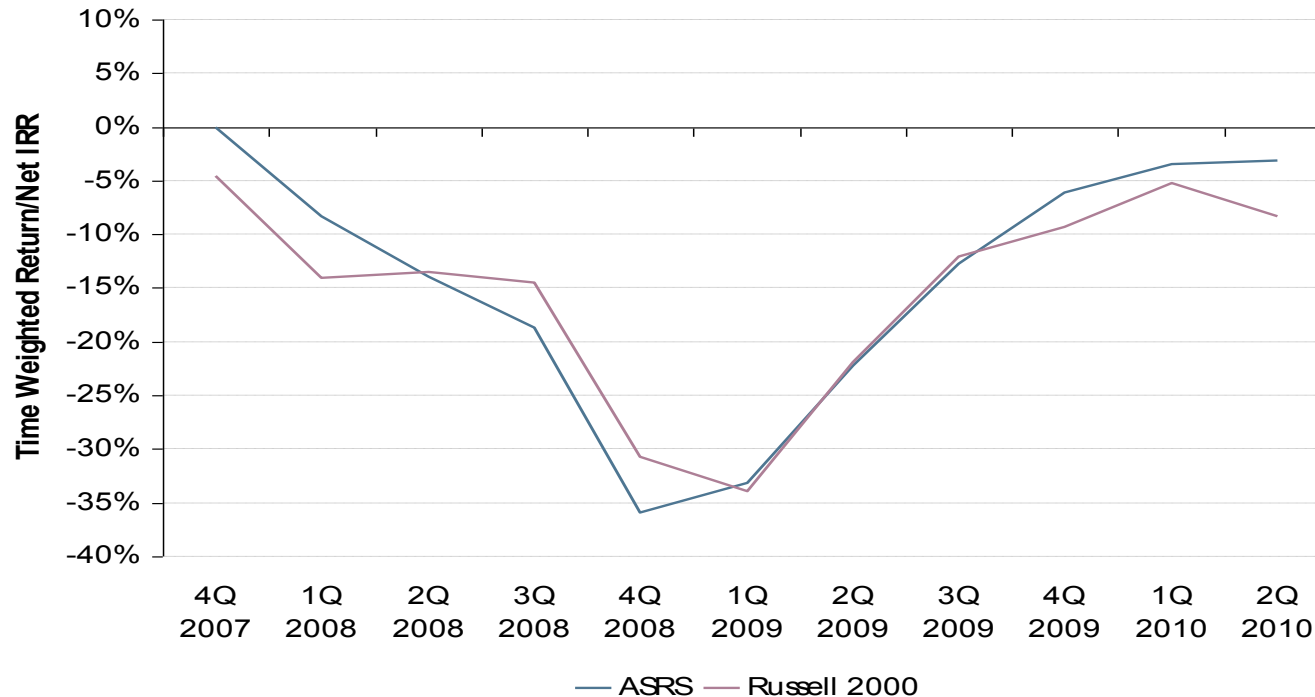
¹ As of June 30, 2010

² As of October 31, 2010, and includes the investment in CC Media Holdings. Commitments denominated in foreign currency were translated to dollars by Credit Suisse based on the September 30, 2010 foreign exchange rate.

³ Represents an annualized time-weighted rate of return from the Program's inception through June 30, 2010.



Performance Since Inception¹

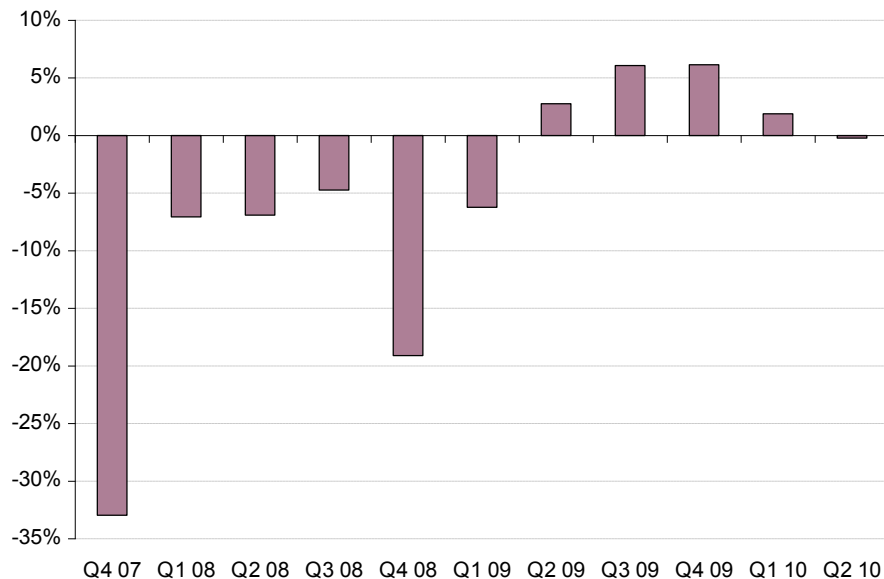


Long-term objectives of the private equity program:

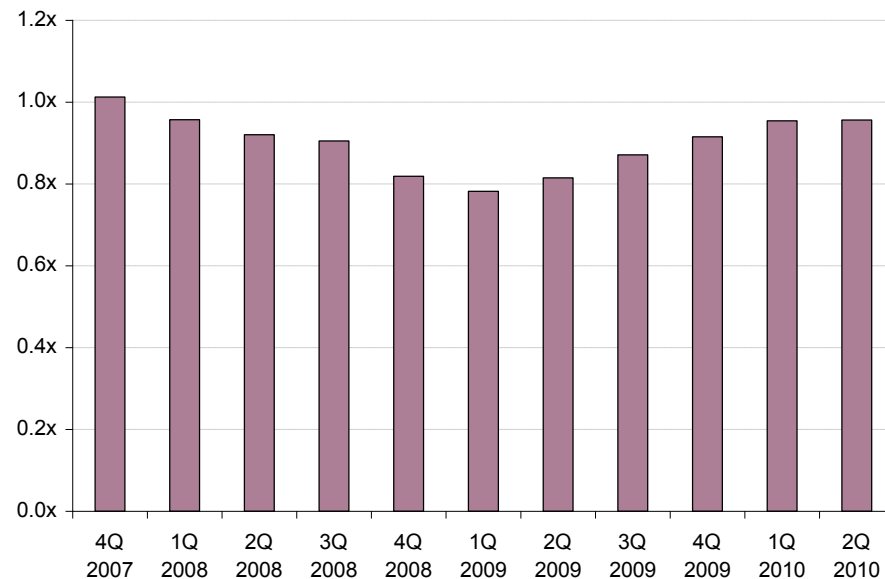
- Generate a net annualized return in excess of the Russell 2000 index.
- Fully diversify the program by all relevant metrics, including by manager, geography, vintage year, and strategy.
- Generate annual distributions in excess of annual capital calls.

¹ ASRS' program performance represents the net IRR since inception as of each quarter end, as provided by Credit Suisse. The Russell 2000 index performance represents the annualized time weighted return since the Program's inception through each quarter end.

Periodic Net IRR¹



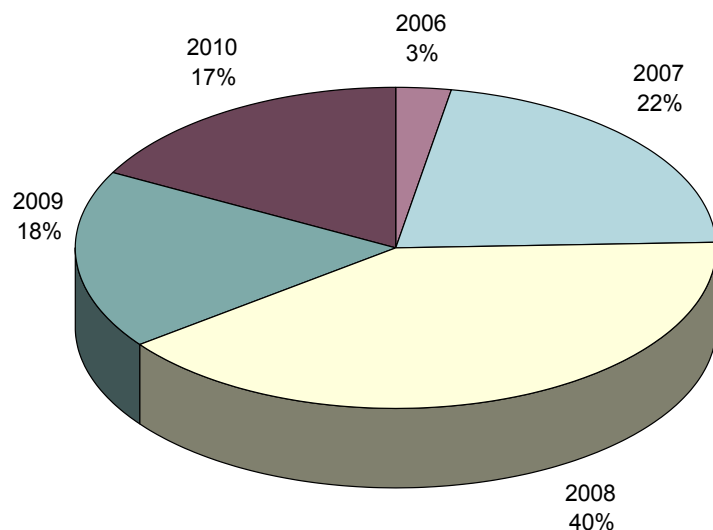
Net Total Value Multiple²



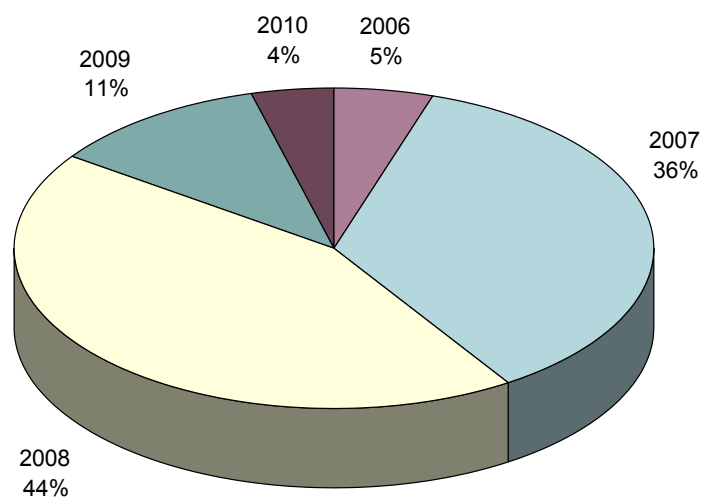
¹ Net IRRs were provided by Credit Suisse.

² Total Value Multiple (TVM) equals cumulative distributions plus fair market value, then divided by cumulative capital drawn. The Program's fair market value is as of June 30, 2010.

Vintage Year Diversification by Commitments¹



Vintage Year Diversification by Fair Market Value²

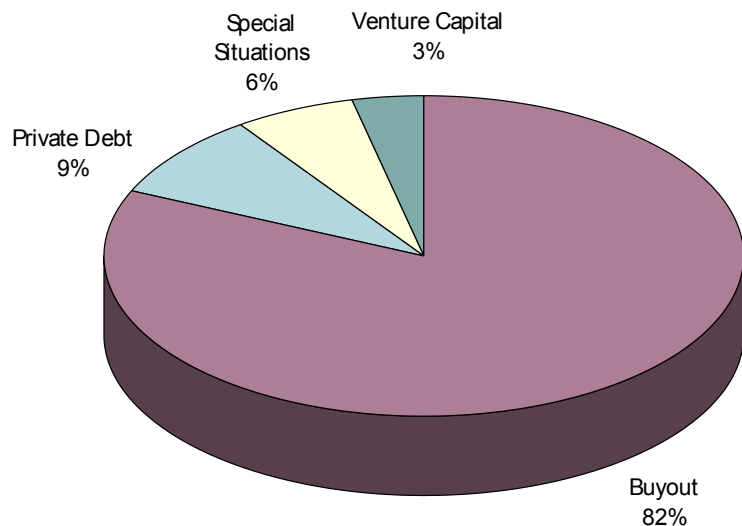


- The Private Equity Program remains in the early years of formation.

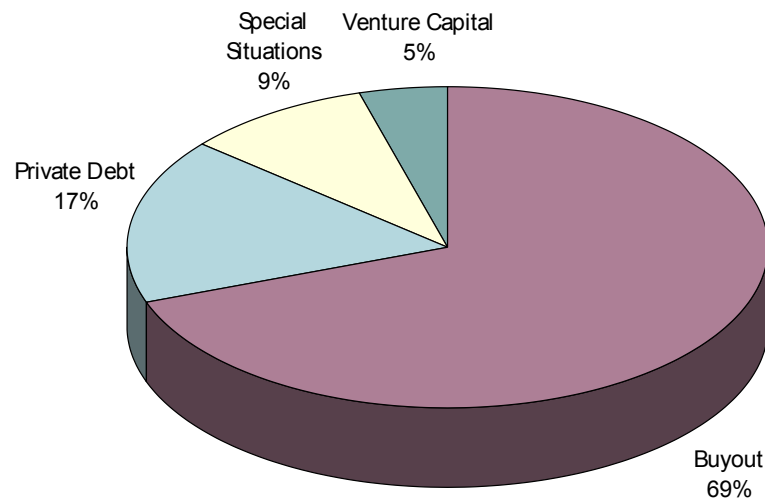
¹ As of October 31, 2010, and includes the investment in CC Media Holdings. Commitments denominated in foreign currency were translated to U.S. dollars by Credit Suisse based on the September 30, 2010 foreign exchange rate.

² As of September 30, 2010.

Strategy Diversification by Commitments¹



Strategy Diversification by Fair Market Value²



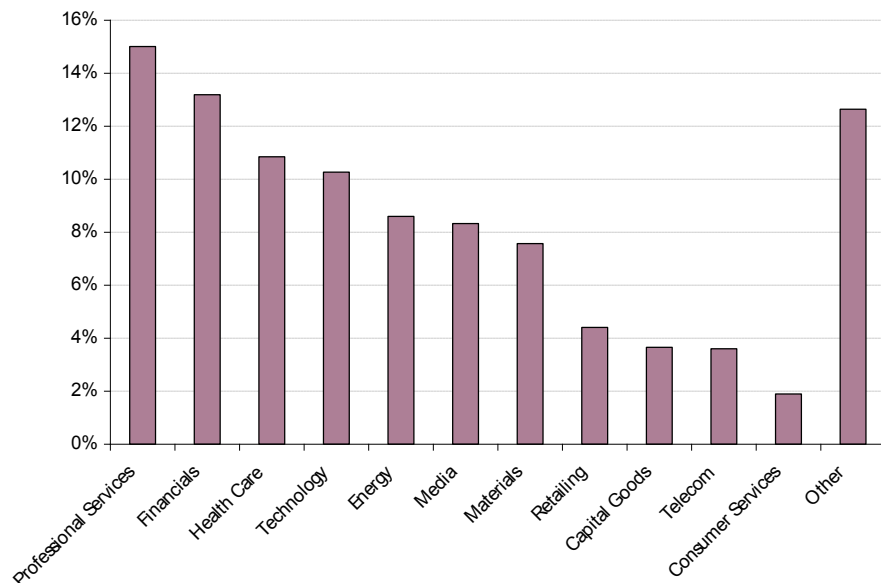
	Target Range (%)	Current Commitment Allocation ³ (%)	Current FMV Allocation ³ (%)
Buyout (Corporate Finance)	50 - 80	82	69
<i>Infrastructure</i>	0 - 20	3	4
<i>Natural Resources</i>	0 - 20	10	5
Private Debt	0 - 30	9	17
Special Situations	0 - 20	6	9
Venture Capital	0 - 20	3	5

¹ As of October 31, 2010, and includes the investment in CC Media Holdings. Commitments denominated in foreign currency were translated to U.S. dollars by Credit Suisse based on the September 30, 2010 foreign exchange rate.

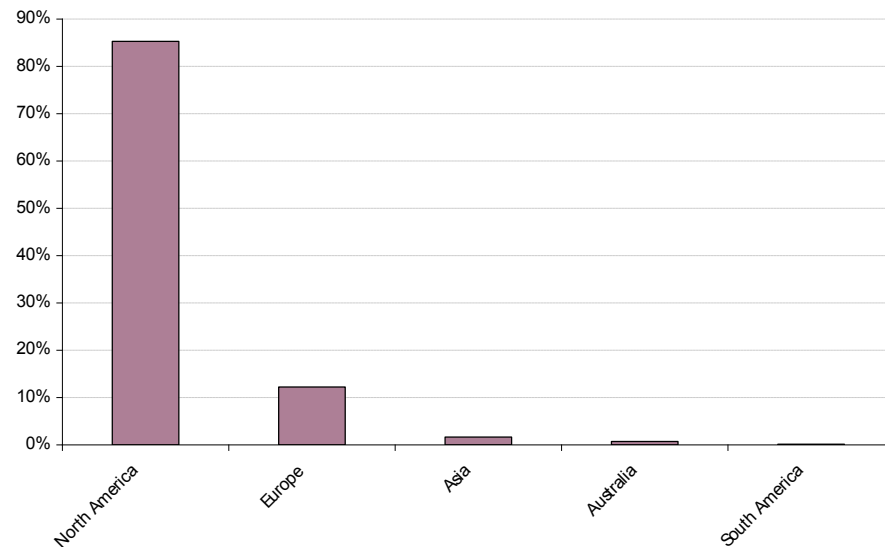
² Represents fair market values as of September 30, 2010.

³ During the early stages of the Program's implementation, actual portfolio diversification may temporarily deviate from the targeted allocation ranges.

Industry Diversification¹



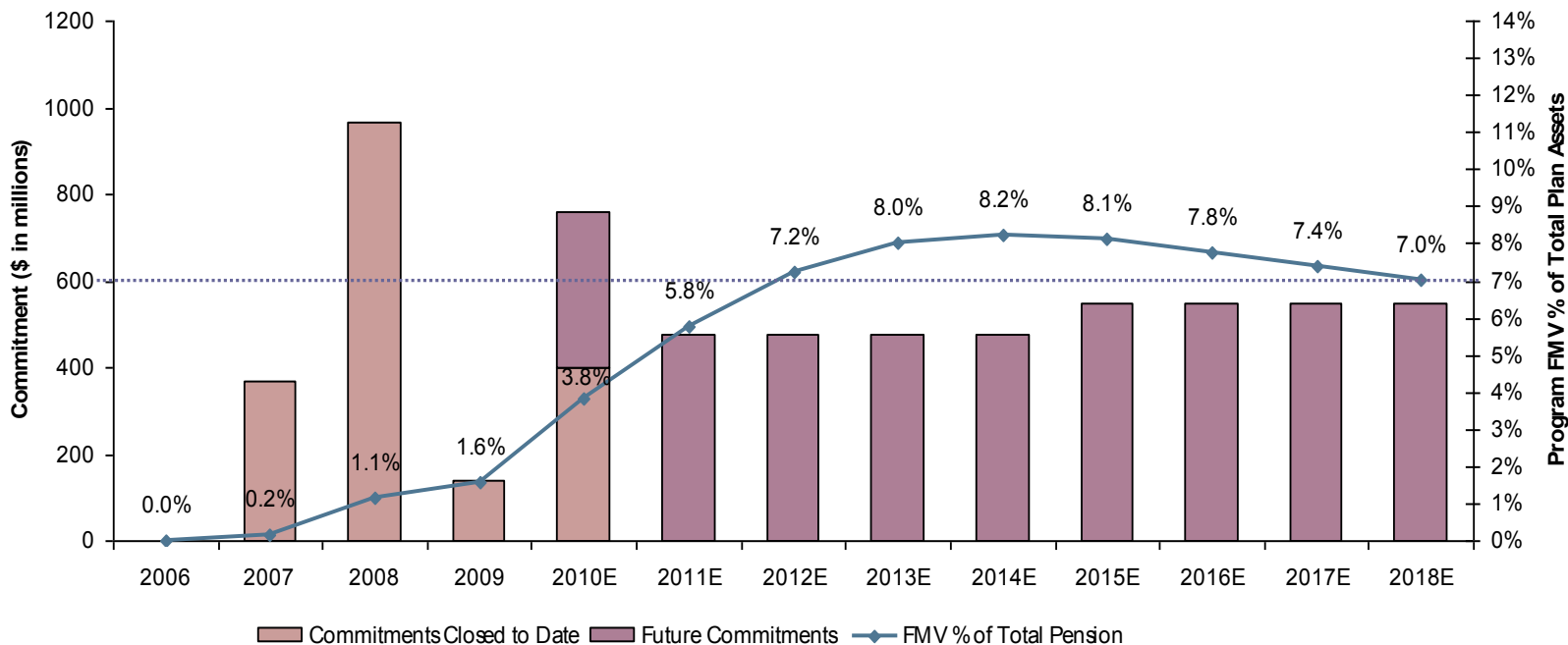
Geographic Diversification¹



- The Private Equity Program will continue to gain additional geographic diversification.

¹ Based on fair market values of the Program's funds' underlying holdings as of September 30, 2010.

Private Equity Program Portfolio Allocation Study¹



(\$ in millions)	2007	2008	2009	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E
Commitments by Close Date	370	967	140	760	475	475	475	475	550	550	550	550
FMV % of Total Pension	0.2%	1.1%	1.6%	3.8%	5.8%	7.2%	8.0%	8.2%	8.1%	7.8%	7.4%	7.0%
Total Plan Assets	28,000	20,500	24,009	23,768	25,194	26,706	28,308	30,006	31,807	33,715	35,738	37,882

¹ The Portfolio Allocation Study output is based on a series of assumptions, including total pension asset growth 6% net per year from \$23.1 billion as of June 30, 2010, a target private equity allocation of 7.0%, and various private equity fund performance and cash flow assumptions based on Meketa Investment Group's proprietary research.

Appendix A: Portfolio Roster

Arizona State Retirement System

Portfolio Roster

Buyout	Venture Capital	Special Situations	Private Debt
Accel-KKR Capital Partners III, LP Apollo Investment Fund VII, L.P. Capital Partners III, L.P. Blackstone Capital Partners VI L.P. Bridgepoint Europe IV 'D' L.P. Crown European Buyout Opportunities II Plc CVC European Equity Partners V, L.P. JLL Partners Fund VI, L.P. Kinderhook Capital Fund III, L.P. Levine Leichtman Capital Partners IV, L.P. Equity Fund IV-A, L.P. Capital Partners II, L.P. Littlejohn Fund IV-A LLR Equity Partners III, L.P. Nautic Partners VI, L.P. New Mountain Partners III, L.P. Oak Hill Capital Partners III, L.P. Onex Partners III, L.P. Pine Brook Capital Partners, L.P. Platinum Equity Capital Partners II, L.P. Seidler Equity Partners IV, L.P. Partners III, L.P. The Resolute Fund II, L.P. Thomas H. Lee Equity Fund VI, L.P. Veritas Capital Fund IV, L.P. Warburg Pincus Private Equity X, L.P. Yucaipa American Fund II, LP	Atlas Venture Fund VIII, L.P. CMEA Ventures VII, L.P. IDG Ventures SF, L.P. Montreux Equity Partners IV, L.P. New Atlantic Ventures Fund III, L.P. Peninsula Technology Ventures, L.P.	Partners Group Secondary 2008, L.P. Paul Capital Partners IX, L.P.	Mezzanine, L.P. Saybrook Corporate Fund, L.P. TCW/Crescent Mezzanine Partners V, L.P. Wayzata Opportunities Fund II, L.P.
Infrastructure			
Energy Capital Partners II			
Natural Resources			
First Reserve Fund XII, L.P. Quantum Energy Partners V, L.P. White Deer Energy, L.P.			

